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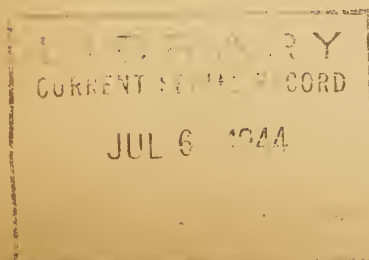
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WAR FOOD ADMINISTRATION
OFFICE OF DISTRIBUTION

Finance Letter No. 22
Procedural Classification 551

ADVANCES UNDER DRIED EGG CONTRACTS

- I. GENERAL: Some contracts covering the purchase of dried eggs are being amended to provide for the payment of advances covering the cost of shell, frozen or liquid eggs purchased by the vendor for later use in the manufacture of dried eggs under the respective contracts.
- II. CONTRACTS: Those contracts that are amended to provide for the payment of advances are to be processed in the Midwest Regional Office as it is necessary to make arrangements with the Custodian, Federal Reserve Bank for special handling of claims to assure immediate issuance and mailing of checks. Dried egg contracts now in regional offices other than the Midwest Finance Office, when so amended, shall be forwarded via air mail to the Chicago Finance Office. It will be necessary that copies of paid vouchers and supporting documents as well as pending claims submitted under the contracts be transmitted with the contract in order that the Chicago Office may have an adequate check on the performance thereunder. Regional Offices are hereby instructed that upon receipt of such an amendment to forward the contract and documents to the Chicago Finance Office immediately.
- III. CLAIMS FOR ADVANCES: Vouchers will be submitted in the name of the vendor with the payee shown thereon as either the vendor or the vendor and bank or other financial institution. The vouchers shall be supported by warehouse receipts issued in the name of the Commodity Credit Corporation and a sworn statement executed by an officer of the vendor, setting forth exact cost of the shell, frozen or liquid eggs, delivered to the public or field warehouse. This statement shall also contain a certificate to the effect that all eggs covered by the statement are free and clear of all liens and encumbrances and that no liens or encumbrances will be placed on such eggs, as long as any advances made on such eggs by the Commodity Credit Corporation remain outstanding and unpaid. The warehouse receipts and sworn statement shall be retained in the Regional Finance Office. The statement is for attachment to the office copy of the voucher and the warehouse receipts shall be placed in the office safe.
- IV. EXAMINATION OF CLAIMS: Claims shall be processed immediately upon receipt and if in proper order shall be certified for payment, and forwarded to the Federal Reserve Bank by messenger for issuance of the check. In some cases a representative of the vendor or the financial institution will go to the Federal Reserve Bank and upon proper identification will obtain the check. Care should be taken that advance payments cover no more eggs than are necessary to complete the contract. The Branch has informed this office that average conversion of eggs is as follows:



Program Contract Accounting
Commodity Voucher Examination
Special Procedure

45 pounds shell eggs = 10 pounds dried eggs.

$37\frac{1}{2}$ pounds liquid or frozen eggs = 10 pounds dried eggs

The examiner shall write ADVANCE PAYMENT across the face of the original and all copies of each voucher.

- V. WAREHOUSE RECEIPT REGISTER: There shall be maintained in the Chicago Finance Office a warehouse receipt register listing warehouse receipts by vendor and showing the warehouse, warehouse receipt number, warehouse receipt date, contract number, quantity, value, date of release, and schedule of collections number.
- VI. RELEASE OF WAREHOUSE RECEIPTS: Warehouse receipts will be released in accordance with the terms of the amended contracts. Should certified or cashiers checks be received for such receipts, deposits should be made by the Regional Finance Office to Commodity Credit Corporation account symbol 13-890.